

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

RICHLAND-BEAN BLOSSOM COMMUNITY
SCHOOL CORPORATION
MONROE COUNTY, INDIANA

July 1, 2011 to June 30, 2013



FILED
04/14/2014

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With Government Auditing Standards	6-7
Financial Statement: Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis	10-11
Notes to Financial Statement	12-16
Supplementary Information - Unaudited: Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis	18-37
Schedule of Payables and Receivables	38
Schedule of Leases and Debt	39
Schedule of Capital Assets	41
Audit Result and Comment: Appropriations	42
Supplemental Audit of Federal Awards: Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance	44-45
Schedule of Expenditures of Federal Awards	48-49
Notes to Schedule of Expenditures of Federal Awards	50
Schedule of Findings and Questioned Costs	51-53
Auditee Prepared Schedule: Corrective Action Plan	54-55
Exit Conference	56

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Emily Richart	01-01-11 to 06-30-14
Superintendent of Schools	Steven Kain Dr. Michael Wilcox	07-01-11 to 05-31-13 06-01-13 to 06-30-14
President of the School Board	Randall Wright Dana Robert Kerr	01-01-11 to 12-31-12 01-01-13 to 12-31-14



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE RICHLAND-BEAN BLOSSOM COMMUNITY
SCHOOL CORPORATION, MONROE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Richland-Bean Blossom Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 27, 2014, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.


Paul D. Joyce, CPA
State Examiner

February 27, 2014



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE RICHLAND-BEAN BLOSSOM COMMUNITY
SCHOOL CORPORATION, MONROE COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Richland-Bean Blossom Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated February 27, 2014, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

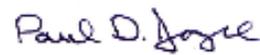
effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001.

Richland-Bean Blossom Community School Corporation's Response to Findings

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

February 27, 2014

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FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2012 and 2013

	Cash and Investments 07-01-11		Other Financing Sources (Uses)		Cash and Investments 06-30-12		Other Financing Sources (Uses)		Cash and Investments 06-30-13	
	Receipts	Disbursements			Receipts	Disbursements			Receipts	Disbursements
General	\$ -	\$ 16,798,678	\$ 17,357,650	\$ 558,972	\$ -	\$ 16,982,605	\$ 16,619,432	\$ (363,173)	\$ -	\$ -
Debt Service	2,940,265	6,107,881	5,814,722	(875,319)	2,358,105	5,746,482	5,788,307	232,558	2,548,838	
Retirement/Severance Bond Debt Service	107,389	181,910	243,413	-	45,886	206,449	241,000	-	11,335	
Capital Projects	550,219	2,195,297	2,205,500	-	540,016	2,003,190	2,251,340	(291,866)	-	
School Transportation	208,794	1,577,683	1,363,964	-	422,513	1,602,728	1,926,339	-	98,902	
School Bus Replacement	104,037	372,163	430,944	-	45,256	477,006	109,671	-	412,591	
Rainy Day	883,126	-	448,420	-	434,706	-	330,182	350,000	454,524	
Retirement/Severance Bond	597,087	-	101,261	-	495,826	-	26,408	-	469,418	
Post-Retirement/Severance Future Benefits	263	-	-	-	263	-	-	(263)	-	
Safe Routes to School	-	20,865	22,211	1,346	-	-	(8,874)	(8,874)	-	
School Lunch	292,210	902,404	987,747	-	206,867	890,927	870,361	-	227,433	
Textbook Rental	14,089	211,999	371,716	424,219	278,591	222,635	329,862	-	171,364	
Joint Services and Supply - Special Education Cooperative	126,402	693,733	854,950	34,815	-	900,458	915,183	14,725	-	
Educational License Plates	94	150	-	-	244	56	-	-	300	
Alternative Education	20,921	5,615	-	-	26,536	5,200	-	-	31,736	
SAFE School Haven	-	14,172	9,910	(4,262)	-	10,451	8,152	(2,299)	-	
Corporation Calendar Fund	900	4,830	3,800	-	1,930	4,693	-	-	6,623	
Smithville Technology	236	-	234	-	2	-	-	(2)	-	
Smithville EECC Art	4	-	-	-	4	-	-	(4)	-	
Smithville Disc Golf	-	-	-	-	-	5,000	4,924	-	76	
Smithville EIS Art	100	19,712	18,105	-	1,707	12,585	13,431	-	861	
PSI IOTA XI Donation	500	-	184	-	316	-	-	-	316	
Smart Partnership Grant	1,500	-	-	-	1,500	-	-	(1,500)	-	
Metiri Group Grant	-	2,535	7,279	4,744	-	-	577	577	-	
Gate Community Foundation	-	13,236	6,502	-	6,734	-	2,383	-	4,351	
Rainier Technology Grant	-	1,000	998	-	2	-	-	(2)	-	
Family Engagement/Comm Found	4,533	20,000	21,530	-	3,003	25,000	28,003	-	-	
IN School Social Work Assoc GT	-	698	693	-	5	-	-	(5)	-	
Community Foundation Preschool	-	-	-	-	-	12,500	22,204	9,704	-	
Adult and Continuing Education	3,090	-	-	-	3,090	-	-	(3,090)	-	
Scholarship/Oliver Deckard	4,385	51	500	-	3,936	26	-	-	3,962	
Scholarship/Ed Ellett	11,211	140	1,000	-	10,351	82	500	-	9,933	
Scholarship/Lisa Lagneaux	5,205	79	500	-	4,784	40	-	-	4,824	
Scholarship/Lundy	-	6,000	3,500	-	2,500	5,000	5,500	-	2,000	
Scholarship/VFW Post 10526	8,224	103	500	-	7,827	31	-	-	7,858	
Scholarship/Joyce Gates	6,487	1,270	(598)	-	8,355	70	1,000	-	7,425	
Dairy & Nutrition Grant	682	-	-	-	682	-	-	-	682	
National Energy Foundation GT	50	-	49	-	1	-	-	(1)	-	
Disney Planet Challenge Grant	100	-	100	-	-	-	-	-	-	
Donations	2,075	1,140	1,138	-	2,077	-	-	(2,077)	-	
Coordinated School Health	474	-	42	-	432	-	169	-	263	
Dollar General Literacy Grant	-	3,000	3,000	-	-	-	-	-	-	
Donations/Spec Needs Field Trip	2,340	2,600	1,678	-	3,262	1,808	1,445	-	3,625	
RBB Community Foundation GT	5	-	-	-	5	-	-	(5)	-	
GQE Remediation	12,685	-	-	-	12,685	-	-	-	12,685	

The notes to the financial statement are an integral part of this statement.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2012 and 2013
(Continued)

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
High Ability 12-13	-	-	-	-	-	35,806	25,966	-	9,840
High Ability	1,528	-	1,528	-	-	-	-	-	-
High Ability 10-11	9,990	-	9,990	-	-	-	-	-	-
High Ability 11-12	-	35,523	35,286	-	237	-	237	-	-
Medicaid Reimbursement	5,137	15,556	19,984	-	709	27,946	16,994	-	11,661
Non-English Speaking Programs P.L. 273-1999	1,374	-	1,374	-	-	-	-	-	-
Non-English Speaking 11-12	-	782	-	-	782	-	782	-	-
Non-English Speaking 12-13	-	-	-	-	-	1,037	-	-	1,037
School Technology	7,727	7,563	17,714	2,424	-	8,145	6,351	(1,794)	-
Senator David Ford Technology	-	162,668	162,633	-	35	28,651	26,603	-	2,083
Excess PTRC Distributions	-	-	-	-	-	46,071	60,119	14,048	-
Community Found Dads@School	2	-	-	-	2	-	-	(2)	-
Title I 10-11	5,821	38,743	44,564	-	-	-	-	-	-
Title I 11-12	-	263,316	271,182	7,866	-	37,618	29,752	(7,866)	-
Title I 12-13	-	-	-	-	-	326,407	352,749	26,342	-
Spec Ed Improvement Award	-	-	-	-	-	72,669	73,379	710	-
PL 101-476 IDEA 12-13	-	-	-	-	-	963,513	1,006,689	43,176	-
PL 101-476 IDEA	-	53,535	25,842	(27,693)	-	-	-	-	-
PL 101-476 IDEA 10-11	-	536,729	467,720	(63,237)	5,772	-	5,772	-	-
PL 101-476 IDEA 11-12	-	894,566	905,291	10,725	-	353,481	342,756	(10,725)	-
PL 99-457 Preschool 09-10	-	471	471	-	-	-	-	-	-
PL 99-457 Preschool 10-11	-	18,603	6,823	(9,166)	2,614	1,094	3,708	-	-
PL 99-457 Preschool 11-12	-	13,459	15,096	1,637	-	36,184	35,327	(857)	-
Communication Disorders	-	-	-	-	-	-	1,087	1,087	-
Title IV 09-10	459	-	459	-	-	-	-	-	-
Team Nutrition Training Grants	1,682	1,600	3,282	-	-	-	-	-	-
Dependent Care	1,616	-	-	-	1,616	-	-	(1,616)	-
Medicaid Reimbursement - Federal	43,214	28,843	-	-	72,057	52,708	72,207	-	52,558
Federal Alcohol Prevention Grant	3,303	-	-	-	3,303	-	-	(3,303)	-
Title III, Language Instruction	-	191	-	-	191	-	-	(191)	-
Title II 13-14	-	-	-	-	-	-	269	269	-
Title II 09-10	-	3,612	(5,020)	(8,632)	-	-	-	-	-
Title II 11-12	-	79,040	79,197	157	-	9,100	8,943	(157)	-
Title II 12-13	-	-	-	-	-	61,756	64,151	2,395	-
LSTA Grant	-	-	-	-	-	2,499	6,580	4,081	-
HUSSC Program	-	-	-	-	-	2,500	-	-	2,500
Title I - Grants to LEAs	-	17,630	7,543	(10,087)	-	-	-	-	-
Special Education - Part B	-	163,479	108,736	(48,509)	6,234	-	-	-	6,234
Special Education - Part B - Preschool	-	8,530	8,530	-	-	-	-	-	-
Qualified School Construction Bond	104,599	-	79,719	-	24,880	-	-	-	24,880
Education Jobs	-	14,302	14,302	-	-	10,546	10,546	-	-
Payroll Withholdings	150,470	4,474,877	4,488,901	-	136,446	4,225,027	4,246,234	-	115,239
Totals	<u>\$ 6,246,604</u>	<u>\$ 35,992,562</u>	<u>\$ 37,054,289</u>	<u>\$ -</u>	<u>\$ 5,184,877</u>	<u>\$ 35,417,780</u>	<u>\$ 35,884,700</u>	<u>\$ -</u>	<u>\$ 4,717,957</u>

The notes to the financial statement are an integral part of this statement.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources include distributions from the federal government and are to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other Financing Sources and Uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRF plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's Office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post Retirement/ Severance Future Benefits	Safe Routes to School
Cash and investments - beginning	\$ -	\$ 2,940,265	\$ 107,389	\$ 550,219	\$ 208,794	\$ 104,037	\$ 883,126	\$ 597,087	\$ 263	\$ -
Receipts:										
Local sources	256,794	5,007,881	181,910	2,158,461	1,035,060	372,163	-	-	-	20,865
Intermediate sources	2,016	-	-	-	-	-	-	-	-	-
State sources	15,823,704	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	600,000	1,100,000	-	-	500,000	-	-	-	-	-
Other	116,164	-	-	36,836	42,623	-	-	-	-	-
Total receipts	16,798,678	6,107,881	181,910	2,195,297	1,577,683	372,163	-	-	-	20,865
Disbursements:										
Current:										
Instruction	11,533,302	-	-	-	-	-	107,608	-	-	-
Support services	4,708,473	11,673	-	1,279,645	863,964	430,944	339,466	101,261	-	-
Noninstructional services	515,875	-	-	-	-	-	1,346	-	-	-
Facilities acquisition and construction	-	-	-	925,855	-	-	-	-	-	22,211
Debt services	600,000	5,803,049	243,413	-	500,000	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	17,357,650	5,814,722	243,413	2,205,500	1,363,964	430,944	448,420	101,261	-	22,211
Excess (deficiency) of receipts over disbursements	(558,972)	293,159	(61,503)	(10,203)	213,719	(58,781)	(448,420)	(101,261)	-	(1,346)
Other financing sources (uses):										
Transfers in	798,150	-	-	-	-	-	-	-	-	8,875
Transfers out	(239,178)	(875,319)	-	-	-	-	-	-	-	(7,529)
Total other financing sources (uses)	558,972	(875,319)	-	-	-	-	-	-	-	1,346
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(582,160)	(61,503)	(10,203)	213,719	(58,781)	(448,420)	(101,261)	-	-
Cash and investments - ending	\$ -	\$ 2,358,105	\$ 45,886	\$ 540,016	\$ 422,513	\$ 45,256	\$ 434,706	\$ 495,826	\$ 263	\$ -

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	School Lunch	Textbook Rental	Joint Services and Supply Special Education Cooperative	Educational License Plates	Alternative Education	SAFE School Haven	Corporation Calendar Fund	Smithville Technology	Smithville EECC Art	Smithville Disc Golf
Cash and investments - beginning	\$ 292,210	\$ 14,089	\$ 126,402	\$ 94	\$ 20,921	\$ -	\$ 900	\$ 236	\$ 4	\$ -
Receipts:										
Local sources	423,236	127,171	690,629	-	-	-	4,830	-	-	-
Intermediate sources	-	-	-	150	-	-	-	-	-	-
State sources	10,091	84,618	-	-	5,615	14,172	-	-	-	-
Federal sources	469,077	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	210	3,104	-	-	-	-	-	-	-
Total receipts	902,404	211,999	693,733	150	5,615	14,172	4,830	-	-	-
Disbursements:										
Current:										
Instruction	-	-	392,725	-	-	9,910	-	-	-	-
Support services	2,193	371,716	462,225	-	-	-	3,800	-	-	-
Noninstructional services	985,554	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	234	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	987,747	371,716	854,950	-	-	9,910	3,800	234	-	-
Excess (deficiency) of receipts over disbursements	(85,343)	(159,717)	(161,217)	150	5,615	4,262	1,030	(234)	-	-
Other financing sources (uses):										
Transfers in	-	424,219	34,815	-	-	5,926	-	-	-	-
Transfers out	-	-	-	-	-	(10,188)	-	-	-	-
Total other financing sources (uses)	-	424,219	34,815	-	-	(4,262)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(85,343)	264,502	(126,402)	150	5,615	-	1,030	(234)	-	-
Cash and investments - ending	\$ 206,867	\$ 278,591	\$ -	\$ 244	\$ 26,536	\$ -	\$ 1,930	\$ 2	\$ 4	\$ -

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Smithville EIS Art	PSI IOTA XI Donation	Smart Partnership Grant	Metiri Group Grant	Gate Community Foundation	Rainier Technology Grant	Family Engagement/Comm Found	IN School Social Work Assoc GT	Community Foundation Preschool
Cash and investments - beginning	\$ 100	\$ 500	\$ 1,500	\$ -	\$ -	\$ -	\$ 4,533	\$ -	\$ -
Receipts:									
Local sources	19,712	-	-	2,535	13,236	1,000	20,000	698	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	19,712	-	-	2,535	13,236	1,000	20,000	698	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	184	-	7,279	6,502	-	21,530	693	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	18,105	-	-	-	-	998	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	18,105	184	-	7,279	6,502	998	21,530	693	-
Excess (deficiency) of receipts over disbursements	1,607	(184)	-	(4,744)	6,734	2	(1,530)	5	-
Other financing sources (uses):									
Transfers in	-	-	-	4,744	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	4,744	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,607	(184)	-	-	6,734	2	(1,530)	5	-
Cash and investments - ending	\$ 1,707	\$ 316	\$ 1,500	\$ -	\$ 6,734	\$ 2	\$ 3,003	\$ 5	\$ -

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Adult and Continuing Education	Scholarship/Oliver Deckard	Scholarship/Ed Ellett	Scholarship/Lisa Lagneaux	Scholarship/Lundy	Scholarship/VFW Post 10526	Scholarship/Joyce Gates	Dairy & Nutrition Grant	National Energy Foundation GT
Cash and investments - beginning	\$ 3,090	\$ 4,385	\$ 11,211	\$ 5,205	\$ -	\$ 8,224	\$ 6,487	\$ 682	\$ 50
Receipts:									
Local sources	-	51	140	79	6,000	103	1,270	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	51	140	79	6,000	103	1,270	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	49
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	500	1,000	500	3,500	500	(598)	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	500	1,000	500	3,500	500	(598)	-	49
Excess (deficiency) of receipts over disbursements	-	(449)	(860)	(421)	2,500	(397)	1,868	-	(49)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(449)	(860)	(421)	2,500	(397)	1,868	-	(49)
Cash and investments - ending	\$ 3,090	\$ 3,936	\$ 10,351	\$ 4,784	\$ 2,500	\$ 7,827	\$ 8,355	\$ 682	\$ 1

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Disney Planet Challenge Grant	Donations	Coordinated School Health	Dollar General Literacy Grant	Donations/Spec Needs Field Trip	RBB Community Foundation GT	GQE Remediation	High Ability 12-13	High Ability
Cash and investments - beginning	\$ 100	\$ 2,075	\$ 474	\$ -	\$ 2,340	\$ 5	\$ 12,685	\$ -	\$ 1,528
Receipts:									
Local sources	-	1,140	-	3,000	-	-	-	-	-
Intermediate sources	-	-	-	-	2,600	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	1,140	-	3,000	2,600	-	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	1,528
Support services	-	-	42	3,000	1,678	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	100	1,138	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	100	1,138	42	3,000	1,678	-	-	-	1,528
Excess (deficiency) of receipts over disbursements	(100)	2	(42)	-	922	-	-	-	(1,528)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(100)	2	(42)	-	922	-	-	-	(1,528)
Cash and investments - ending	\$ -	\$ 2,077	\$ 432	\$ -	\$ 3,262	\$ 5	\$ 12,685	\$ -	\$ -

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	High Ability 10-11	High Ability 11-12	Medicaid Reimbursement	Non-English Speaking Programs P.L. 273-1999	Non-English Speaking 11-12	Non-English Speaking 12-13	School Technology	Senator David Ford Technology	Excess PTRC Distributions
Cash and investments - beginning	\$ 9,990	\$ -	\$ 5,137	\$ 1,374	\$ -	\$ -	\$ 7,727	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	35,523	15,556	-	782	-	7,563	162,668	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	35,523	15,556	-	782	-	7,563	162,668	-
Disbursements:									
Current:									
Instruction	9,990	35,286	-	-	-	-	-	-	-
Support services	-	-	19,984	1,374	-	-	17,714	162,633	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	9,990	35,286	19,984	1,374	-	-	17,714	162,633	-
Excess (deficiency) of receipts over disbursements	(9,990)	237	(4,428)	(1,374)	782	-	(10,151)	35	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	2,424	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	2,424	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,990)	237	(4,428)	(1,374)	782	-	(7,727)	35	-
Cash and investments - ending	\$ -	\$ 237	\$ 709	\$ -	\$ 782	\$ -	\$ -	\$ 35	\$ -

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Community Found Dads@School	Title 10-11	Title 11-12	Title 12-13	Spec Ed Improvement Award	PL 101-476 IDEA 12-13	PL 101-476 IDEA	PL 101-476 IDEA 10-11
Cash and investments - beginning	\$ 2	\$ 5,821	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	38,743	263,316	-	-	-	53,535	536,729
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	38,743	263,316	-	-	-	53,535	536,729
Disbursements:								
Current:								
Instruction	-	44,564	245,970	-	-	-	16,523	359,727
Support services	-	-	25,212	-	-	-	9,319	107,993
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	44,564	271,182	-	-	-	25,842	467,720
Excess (deficiency) of receipts over disbursements	-	(5,821)	(7,866)	-	-	-	27,693	69,009
Other financing sources (uses):								
Transfers in	-	-	7,866	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(27,693)	(63,237)
Total other financing sources (uses)	-	-	7,866	-	-	-	(27,693)	(63,237)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(5,821)	-	-	-	-	-	5,772
Cash and investments - ending	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,772

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	PL 101-476 IDEA 11-12	PL 99-457 Preschool 09-10	PL 99-457 Preschool 10-11	PL 99-457 Preschool 11-12	Communication Disorders	Title IV 09-10	Team Nutrition Traning Grants	Dependent Care	Medicaid Reimbursement Federal
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 459	\$ 1,682	\$ 1,616	\$ 43,214
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	894,566	471	18,603	13,459	-	-	1,600	-	28,843
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>894,566</u>	<u>471</u>	<u>18,603</u>	<u>13,459</u>	-	-	<u>1,600</u>	-	<u>28,843</u>
Disbursements:									
Current:									
Instruction	731,315	471	6,823	15,096	-	-	-	-	-
Support services	173,976	-	-	-	-	459	2,506	-	-
Noninstructional services	-	-	-	-	-	-	776	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>905,291</u>	<u>471</u>	<u>6,823</u>	<u>15,096</u>	-	<u>459</u>	<u>3,282</u>	-	-
Excess (deficiency) of receipts over disbursements	<u>(10,725)</u>	-	<u>11,780</u>	<u>(1,637)</u>	-	<u>(459)</u>	<u>(1,682)</u>	-	<u>28,843</u>
Other financing sources (uses):									
Transfers in	10,725	-	-	1,637	-	-	-	-	-
Transfers out	-	-	(9,166)	-	-	-	-	-	-
Total other financing sources (uses)	<u>10,725</u>	-	<u>(9,166)</u>	<u>1,637</u>	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	<u>2,614</u>	-	-	<u>(459)</u>	<u>(1,682)</u>	-	<u>28,843</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,614</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,616</u>	<u>\$ 72,057</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Federal Alcohol Prevention Grant	Title III, Language Instruction	Title II 13-14	Title II 09-10	Title II 11-12	Title II 12-13	LSTA Grant
Cash and investments - beginning	\$ 3,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	191	-	-	-	-	-
Federal sources	-	-	-	3,612	79,040	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	191	-	3,612	79,040	-	-
Disbursements:							
Current:							
Instruction	-	-	-	798	-	-	-
Support services	-	-	-	(5,818)	79,197	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	-	-	(5,020)	79,197	-	-
Excess (deficiency) of receipts over disbursements	-	191	-	8,632	(157)	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	157	-	-
Transfers out	-	-	-	(8,632)	-	-	-
Total other financing sources (uses)	-	-	-	(8,632)	157	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	191	-	-	-	-	-
Cash and investments - ending	\$ 3,303	\$ 191	\$ -	\$ -	\$ -	\$ -	\$ -

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	HUSSC Program	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Qualified School Construction Bond	Education Jobs	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 104,599	\$ -	\$ 150,470	\$ 6,246,604
Receipts:								
Local sources	-	-	-	-	-	-	-	10,347,964
Intermediate sources	-	-	-	-	-	-	-	4,766
State sources	-	-	-	-	-	-	-	16,160,483
Federal sources	-	17,630	163,479	8,530	-	14,302	-	2,605,535
Temporary loans	-	-	-	-	-	-	-	2,200,000
Other	-	-	-	-	-	-	4,474,877	4,673,814
Total receipts	-	17,630	163,479	8,530	-	14,302	4,474,877	35,992,562
Disbursements:								
Current:								
Instruction	-	7,376	108,736	8,530	-	14,302	-	13,650,580
Support services	-	167	-	-	-	-	-	9,211,033
Noninstructional services	-	-	-	-	-	-	-	1,503,551
Facilities acquisition and construction	-	-	-	-	79,719	-	-	1,048,360
Debt services	-	-	-	-	-	-	-	7,146,462
Nonprogrammed charges	-	-	-	-	-	-	-	5,402
Interfund loans	-	-	-	-	-	-	4,488,901	4,488,901
Total disbursements	-	7,543	108,736	8,530	79,719	14,302	4,488,901	37,054,289
Excess (deficiency) of receipts over disbursements	-	10,087	54,743	-	(79,719)	-	(14,024)	(1,061,727)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	1,299,538
Transfers out	-	(10,087)	(48,509)	-	-	-	-	(1,299,538)
Total other financing sources (uses)	-	(10,087)	(48,509)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	6,234	-	(79,719)	-	(14,024)	(1,061,727)
Cash and investments - ending	\$ -	\$ -	\$ 6,234	\$ -	\$ 24,880	\$ -	\$ 136,446	\$ 5,184,877

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post Retirement/ Severance Future Benefits	Safe Routes to School
Cash and investments - beginning	\$ -	\$ 2,358,105	\$ 45,886	\$ 540,016	\$ 422,513	\$ 45,256	\$ 434,706	\$ 495,826	\$ 263	\$ -
Receipts:										
Local sources	239,321	4,646,482	206,449	1,903,768	1,065,603	477,006	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	16,010,306	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	600,000	1,100,000	-	-	500,000	-	-	-	-	-
Other	132,978	-	-	99,422	37,125	-	-	-	-	-
Total receipts	16,982,605	5,746,482	206,449	2,003,190	1,602,728	477,006	-	-	-	-
Disbursements:										
Current:										
Instruction	10,841,164	-	-	-	-	-	234,615	-	-	-
Support services	4,691,154	-	-	901,427	1,426,339	109,671	92,875	26,408	-	-
Noninstructional services	487,114	-	-	-	-	-	2,692	-	-	-
Facilities acquisition and construction	-	-	-	1,349,913	-	-	-	-	-	(8,874)
Debt services	600,000	5,788,307	241,000	-	500,000	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	16,619,432	5,788,307	241,000	2,251,340	1,926,339	109,671	330,182	26,408	-	(8,874)
Excess (deficiency) of receipts over disbursements	363,173	(41,825)	(34,551)	(248,150)	(323,611)	367,335	(330,182)	(26,408)	-	8,874
Other financing sources (uses):										
Transfers in	434,977	875,319	-	58,134	-	-	350,000	-	-	-
Transfers out	(798,150)	(642,761)	-	(350,000)	-	-	-	-	(263)	(8,874)
Total other financing sources (uses)	(363,173)	232,558	-	(291,866)	-	-	350,000	-	(263)	(8,874)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	190,733	(34,551)	(540,016)	(323,611)	367,335	19,818	(26,408)	(263)	-
Cash and investments - ending	\$ -	\$ 2,548,838	\$ 11,335	\$ -	\$ 98,902	\$ 412,591	\$ 454,524	\$ 469,418	\$ -	\$ -

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	School Lunch	Textbook Rental	Joint Services and Supply Special Education Cooperative	Educational License Plates	Alternative Education	SAFE School Haven	Corporation Calendar Fund	Smithville Technology	Smithville EECC Art	Smithville Disc Golf
Cash and investments - beginning	\$ 206,867	\$ 278,591	\$ -	\$ 244	\$ 26,536	\$ -	\$ 1,930	\$ 2	\$ 4	\$ -
Receipts:										
Local sources	399,096	147,528	893,164	-	-	-	4,693	-	-	5,000
Intermediate sources	-	-	-	56	-	-	-	-	-	-
State sources	10,570	71,286	-	-	5,200	10,451	-	-	-	-
Federal sources	481,261	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	3,821	7,294	-	-	-	-	-	-	-
Total receipts	<u>890,927</u>	<u>222,635</u>	<u>900,458</u>	<u>56</u>	<u>5,200</u>	<u>10,451</u>	<u>4,693</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Disbursements:										
Current:										
Instruction	-	-	462,762	-	-	8,152	-	-	-	-
Support services	1,557	329,862	452,421	-	-	-	-	-	-	-
Noninstructional services	868,804	-	-	-	-	-	-	-	-	4,924
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>870,361</u>	<u>329,862</u>	<u>915,183</u>	<u>-</u>	<u>-</u>	<u>8,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,924</u>
Excess (deficiency) of receipts over disbursements	<u>20,566</u>	<u>(107,227)</u>	<u>(14,725)</u>	<u>56</u>	<u>5,200</u>	<u>2,299</u>	<u>4,693</u>	<u>-</u>	<u>-</u>	<u>76</u>
Other financing sources (uses):										
Transfers in	-	-	49,541	-	-	3,627	-	-	-	-
Transfers out	-	-	(34,816)	-	-	(5,926)	-	(2)	(4)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>14,725</u>	<u>-</u>	<u>-</u>	<u>(2,299)</u>	<u>-</u>	<u>(2)</u>	<u>(4)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>20,566</u>	<u>(107,227)</u>	<u>-</u>	<u>56</u>	<u>5,200</u>	<u>-</u>	<u>4,693</u>	<u>(2)</u>	<u>(4)</u>	<u>76</u>
Cash and investments - ending	<u>\$ 227,433</u>	<u>\$ 171,364</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 31,736</u>	<u>\$ -</u>	<u>\$ 6,623</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Smithville EIS Art	PSI IOTA XI Donation	Smart Partnership Grant	Metiri Group Grant	Gate Community Foundation	Rainier Technology Grant	Family Engagement/Comm Found	IN School Social Work Assoc GT	Community Foundation Preschool
Cash and investments - beginning	\$ 1,707	\$ 316	\$ 1,500	\$ -	\$ 6,734	\$ 2	\$ 3,003	\$ 5	\$ -
Receipts:									
Local sources	12,585	-	-	-	-	-	25,000	-	12,500
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	12,585	-	-	-	-	-	25,000	-	12,500
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	22,204
Support services	1,440	-	-	577	2,383	-	28,003	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	11,991	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	13,431	-	-	577	2,383	-	28,003	-	22,204
Excess (deficiency) of receipts over disbursements	(846)	-	-	(577)	(2,383)	-	(3,003)	-	(9,704)
Other financing sources (uses):									
Transfers in	-	-	-	5,321	-	-	-	-	9,704
Transfers out	-	-	(1,500)	(4,744)	-	(2)	-	(5)	-
Total other financing sources (uses)	-	-	(1,500)	577	-	(2)	-	(5)	9,704
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(846)	-	(1,500)	-	(2,383)	(2)	(3,003)	(5)	-
Cash and investments - ending	\$ 861	\$ 316	\$ -	\$ -	\$ 4,351	\$ -	\$ -	\$ -	\$ -

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Adult and Continuing Education	Scholarship/Oliver Deckard	Scholarship/Ed Ellett	Scholarship/Lisa Lagneaux	Scholarship/Lundy	Scholarship/VFW Post 10526	Scholarship/Joyce Gates	Dairy & Nutrition Grant	National Energy Foundation GT
Cash and investments - beginning	\$ 3,090	\$ 3,936	\$ 10,351	\$ 4,784	\$ 2,500	\$ 7,827	\$ 8,355	\$ 682	\$ 1
Receipts:									
Local sources	-	26	82	40	5,000	31	70	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	26	82	40	5,000	31	70	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	500	-	5,500	-	1,000	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	500	-	5,500	-	1,000	-	-
Excess (deficiency) of receipts over disbursements	-	26	(418)	40	(500)	31	(930)	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(3,090)	-	-	-	-	-	-	-	(1)
Total other financing sources (uses)	(3,090)	-	-	-	-	-	-	-	(1)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,090)	26	(418)	40	(500)	31	(930)	-	(1)
Cash and investments - ending	\$ -	\$ 3,962	\$ 9,933	\$ 4,824	\$ 2,000	\$ 7,858	\$ 7,425	\$ 682	\$ -

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Disney Planet Challenge Grant	Donations	Coordinated School Health	Dollar General Literacy Grant	Donations/Spec Needs Field Trip	RBB Community Foundation GT	GQE Remediation	High Ability 12-13	High Ability
Cash and investments - beginning	\$ -	\$ 2,077	\$ 432	\$ -	\$ 3,262	\$ 5	\$ 12,685	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	1,808	-	-	-	-
State sources	-	-	-	-	-	-	-	35,806	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	1,808	-	-	35,806	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	25,966	-
Support services	-	-	169	-	1,445	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	169	-	1,445	-	-	25,966	-
Excess (deficiency) of receipts over disbursements	-	-	(169)	-	363	-	-	9,840	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(2,077)	-	-	-	(5)	-	-	-
Total other financing sources (uses)	-	(2,077)	-	-	-	(5)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,077)	(169)	-	363	(5)	-	9,840	-
Cash and investments - ending	\$ -	\$ -	\$ 263	\$ -	\$ 3,625	\$ -	\$ 12,685	\$ 9,840	\$ -

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	High Ability 10-11	High Ability 11-12	Medicaid Reimbursement	Non-English Speaking Programs P.L. 273-1999	Non-English Speaking 11-12	Non-English Speaking 12-13	School Technology	Senator David Ford Technology	Excess PTRC Distributions
Cash and investments - beginning	\$ -	\$ 237	\$ 709	\$ -	\$ 782	\$ -	\$ -	\$ 35	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	27,946	-	-	1,037	8,145	28,651	46,071
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	27,946	-	-	1,037	8,145	28,651	46,071
Disbursements:									
Current:									
Instruction	-	237	-	-	-	-	-	-	-
Support services	-	-	16,994	-	-	-	6,351	26,603	60,119
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	782	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	237	16,994	-	782	-	6,351	26,603	60,119
Excess (deficiency) of receipts over disbursements	-	(237)	10,952	-	(782)	1,037	1,794	2,048	(14,048)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	630	-	14,048
Transfers out	-	-	-	-	-	-	(2,424)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(1,794)	-	14,048
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(237)	10,952	-	(782)	1,037	-	2,048	-
Cash and investments - ending	\$ -	\$ -	\$ 11,661	\$ -	\$ -	\$ 1,037	\$ -	\$ 2,083	\$ -

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Community Found Dads@School	Title 10-11	Title 11-12	Title 12-13	Spec Ed Improvement Award	PL 101-476 IDEA 12-13	PL 101-476 IDEA	PL 101-476 IDEA 10-11
Cash and investments - beginning	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,772
Receipts:								
Local sources	-	-	-	-	72,669	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	37,618	326,407	-	963,513	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	37,618	326,407	72,669	963,513	-	-
Disbursements:								
Current:								
Instruction	-	-	34,963	286,316	73,379	777,577	-	5,772
Support services	-	-	(5,211)	66,433	-	229,112	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	-	29,752	352,749	73,379	1,006,689	-	5,772
Excess (deficiency) of receipts over disbursements	-	-	7,866	(26,342)	(710)	(43,176)	-	(5,772)
Other financing sources (uses):								
Transfers in	-	-	-	26,342	710	43,176	-	-
Transfers out	(2)	-	(7,866)	-	-	-	-	-
Total other financing sources (uses)	(2)	-	(7,866)	26,342	710	43,176	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2)	-	-	-	-	-	-	(5,772)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	PL 101-476 IDEA 11-12	PL 99-457 Preschool 09-10	PL 99-457 Preschool 10-11	PL 99-457 Preschool 11-12	Communication Disorders	Title IV 09-10	Team Nutrition Traning Grants	Dependent Care	Medicaid Reimbursement Federal
Cash and investments - beginning	\$ -	\$ -	\$ 2,614	\$ -	\$ -	\$ -	\$ -	\$ 1,616	\$ 72,057
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	353,481	-	1,094	36,184	-	-	-	-	52,708
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>353,481</u>	<u>-</u>	<u>1,094</u>	<u>36,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,708</u>
Disbursements:									
Current:									
Instruction	315,374	-	3,708	35,327	1,087	-	-	-	58,657
Support services	27,382	-	-	-	-	-	-	-	13,550
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>342,756</u>	<u>-</u>	<u>3,708</u>	<u>35,327</u>	<u>1,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,207</u>
Excess (deficiency) of receipts over disbursements	<u>10,725</u>	<u>-</u>	<u>(2,614)</u>	<u>857</u>	<u>(1,087)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,499)</u>
Other financing sources (uses):									
Transfers in	-	-	-	780	1,087	-	-	-	-
Transfers out	(10,725)	-	-	(1,637)	-	-	-	(1,616)	-
Total other financing sources (uses)	<u>(10,725)</u>	<u>-</u>	<u>-</u>	<u>(857)</u>	<u>1,087</u>	<u>-</u>	<u>-</u>	<u>(1,616)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>(2,614)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,616)</u>	<u>(19,499)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,558</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Federal Alcohol Prevention Grant	Title III, Language Instruction	Title II 13-14	Title II 09-10	Title II 11-12	Title II 12-13	LSTA Grant
Cash and investments - beginning	\$ 3,303	\$ 191	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	2,499
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	9,100	61,756	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,100</u>	<u>61,756</u>	<u>2,499</u>
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	269	-	8,943	64,151	6,580
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>269</u>	<u>-</u>	<u>8,943</u>	<u>64,151</u>	<u>6,580</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>(269)</u>	<u>-</u>	<u>157</u>	<u>(2,395)</u>	<u>(4,081)</u>
Other financing sources (uses):							
Transfers in	-	-	269	-	-	2,395	4,081
Transfers out	<u>(3,303)</u>	<u>(191)</u>	<u>-</u>	<u>-</u>	<u>(157)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,303)</u>	<u>(191)</u>	<u>269</u>	<u>-</u>	<u>(157)</u>	<u>2,395</u>	<u>4,081</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(3,303)</u>	<u>(191)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	HUSSC Program	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Qualified School Construction Bond	Education Jobs	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 6,234	\$ -	\$ 24,880	\$ -	\$ 136,446	\$ 5,184,877
Receipts:								
Local sources	-	-	-	-	-	-	-	10,118,612
Intermediate sources	-	-	-	-	-	-	-	1,864
State sources	-	-	-	-	-	-	-	16,255,469
Federal sources	2,500	-	-	-	-	10,546	-	2,336,168
Temporary loans	-	-	-	-	-	-	-	2,200,000
Other	-	-	-	-	-	-	4,225,027	4,505,667
Total receipts	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,546</u>	<u>4,225,027</u>	<u>35,417,780</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	13,187,260
Support services	-	-	-	-	-	10,546	-	8,597,553
Noninstructional services	-	-	-	-	-	-	-	1,363,534
Facilities acquisition and construction	-	-	-	-	-	-	-	1,353,812
Debt services	-	-	-	-	-	-	-	7,129,307
Nonprogrammed charges	-	-	-	-	-	-	-	7,000
Interfund loans	-	-	-	-	-	-	4,246,234	4,246,234
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,546</u>	<u>4,246,234</u>	<u>35,884,700</u>
Excess (deficiency) of receipts over disbursements	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,207)</u>	<u>(466,920)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	1,880,141
Transfers out	-	-	-	-	-	-	-	(1,880,141)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,207)</u>	<u>(466,920)</u>
Cash and investments - ending	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ 6,234</u>	<u>\$ -</u>	<u>\$ 24,880</u>	<u>\$ -</u>	<u>\$ 115,239</u>	<u>\$ 4,717,957</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2013

<u>School Corporation</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 252,863</u>	<u>\$ 125,548</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2013

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Bonds payable:			
General obligation bonds:			
2004 Refunding	Elementary School Construction	\$ 15,905,000	\$ 2,754,000
2004 Retirement/Severance	Finance Pension Debt	1,405,000	127,474
2009 High School Roof	High School Roof Construction	1,241,000	115,423
2010 Jr. High School Construction	Jr. High School Construction	8,625,000	911,689
2010 High School Construction	High School Construction	<u>8,260,870</u>	<u>869,565</u>
Totals		<u>\$ 35,436,870</u>	<u>\$ 4,778,151</u>

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RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2013

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 1,022,639
Infrastructure	-
Buildings	70,914,401
Improvements other than buildings	3,498,597
Machinery, equipment, and vehicles	2,937,570
Books and other	-
Total capital assets	\$ 78,373,207

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations for the calendar years 2011 and 2012:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
General	2011	\$ 190,121
General	2012	34,324

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE RICHLAND-BEAN BLOSSOM COMMUNITY
SCHOOL CORPORATION, MONROE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Richland-Bean Blossom Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the period of July 1, 2011 to June 30, 2013. The School Corporation's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the School Corporation's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the period of July 1, 2011 to June 30, 2013.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Report on Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2013-002 to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

February 27, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were prepared by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2012 and 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>U.S. Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY2012 FY2013	\$ 109,143 -	\$ - 87,469
Total - School Breakfast Program				109,143	87,469
National School Lunch Program	Indiana Department of Education	10.555	FY2012 FY2013	424,977 -	- 462,011
Total - National School Lunch Program				424,977	462,011
Total - Child Nutrition Cluster				534,120	549,480
Team Nutrition Grants	Indiana Department of Education	10.574	FY2012	3,282	-
Total - U.S. Department of Agriculture				537,402	549,480
<u>U.S. Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction Safe Routes to School Construction	Indiana Department of Transportation	20.205	FY2012	20,865	-
Total - Highway Planning and Construction Cluster				20,865	-
Total - U.S. Department of Transportation				20,865	-
<u>U.S. Department of Education</u>					
Title I, Part A Cluster	Indiana Department of Education	84.010			
Title I Grants to Local Educational Agencies					
FY 10-11-5705			FY 10-11-5705	48,032	-
FY 11-12-5705			FY 11-12-5705	268,214	37,618
FY 12-13-5705			FY 12-13-5705	-	317,430
Total - Title I Grants to Local Educational Agencies				316,246	355,048
ARRA - Title I Grants to Local Educational Agencies, Recovery Act FY 10-11	Indiana Department of Education	84.389	FY 10-11	7,545	-
Total - Title I, Part A Cluster				323,791	355,048
Special Education Cluster	Indiana Department of Education				
Special Education - Grants to States		84.027			
14210-065-PN01			14210-065-PN01	25,842	-
14211-065-PN01			14211-065-PN01	473,493	-
14212-065-PN01			14212-065-PN01	511,394	353,481
14213-065-PN01			14213-065-PN01	-	495,300
Total for Program				1,010,729	848,781

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>U.S. Department of Education (continued)</u>					
Special Education Cluster (continued)					
Special Education - Preschool Grants		84.173			
45710-065-PN01			45710-065-PN01	471	-
45711-065-PN01			45711-065-PN01	9,437	1,094
45712-065-PN01			45712-065-PN01	13,459	11,184
Total for Program				<u>23,367</u>	<u>12,278</u>
ARRA - Special Education - Grants to States, Recovery Act		84.391			
33310-065-SN01			33310-065-SN01	134,033	-
ARRA - Special Education - Preschool Grants, Recovery Act		84.392			
44410-065-SN01			44410-065-SN01	692	-
Total for Special Education Cluster				<u>1,168,821</u>	<u>861,059</u>
Special Education - State Personnel Development		84.323			
A58-3-13DL-0085			A58-3-13DL-0085	-	69,770
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
10-5705			10-5705	3,612	-
11-5705			11-5705	79,040	9,100
12-5705			12-5705	-	61,756
Total for Program				<u>82,652</u>	<u>70,856</u>
Education Jobs Funds	Indiana Department of Education	84.410			
10-5705			10-5705	14,302	10,546
Total - U.S. Department of Education				<u>1,589,566</u>	<u>1,367,279</u>
<u>Institute of Museum and Library Services</u>					
Grants to States	Indiana State Library	45.310	T12-2-2(12)	-	2,499
Total - Institute of Museum and Library Services				<u>-</u>	<u>2,499</u>
<u>U.S. Department of Health and Human Services</u>					
Medicaid Cluster	Indiana Department of Education				
Medical Assistance Program		93.778	FY2013	-	2,660
Total - U.S. Department of Health and Human Services				<u>-</u>	<u>2,660</u>
Total federal awards expended				<u>\$ 2,147,833</u>	<u>\$ 1,921,918</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Richland-Bean Blossom Community School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2012 and 2013. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2012	2013
Child Nutrition Cluster – Food Commodities			
School Breakfast Program	10.553	\$ 16,999	\$ 2,684
National School Lunch Program	10.555	47,165	65,514

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Program:

Name of Federal Program or Cluster

Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2013-001 - DEFICIENCY IN INTERNAL CONTROL - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards (SEFA) is required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations for entities expending federal funds in excess of \$500,000 in order to summarize the use of federal monies received. The School Corporation did not have proper procedures in place to ensure that the SEFA prepared was materially correct.

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the SEFA. The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

During the audit of the SEFA, we noted the following errors: federal expenditures were overstated by \$1,271,927. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2013-002 - INTERNAL CONTROLS OVER CASH MANAGEMENT AND REPORTING

Federal Agency: U.S. Department of Education

Federal Program: Special Education - Grants to States, Special Education - Preschool Grants

CFDA Number: 84.027, 84.173

Federal Award Number and Year (or Other Identifying Number): 14210-065-PN01, 14211-065-PN01,
14212-065-PN01, 14213-065-PN01,
45710-065-PN01, 45711-065-PN01,
and 45712-065-PN01

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Cash Management and Reporting compliance requirements. The failure to establish an effective internal control system places the school at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

Reimbursement requests were not reviewed by someone other than the individual preparing the requests prior to submission.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation establish controls related to cash management and reporting compliance requirements.



Richland-Bean Blossom

Community School Corporation

600 South Edgewood Drive, Ellettsville, Indiana 47429

• Phone: (812) 876-7100 • Fax: (812) 876-7020 • Web: www.rbbcsc.k12.in.us

SUPERINTENDENT

Dr. Mike Wilcox
mwilcox@rbbcsc.k12.in.us

ASSISTANT

SUPERINTENDENT
Mr. Jason Bletzinger
jbletzinger@rbbcsc.k12.in.us

SCHOOL BOARD

Mr. Jimmie D. Durnil
Mr. Dana Robert Kerr
Mr. Larry Thrasher
Ms. Debra Walcott
Mr. Randall C. Wright

VISION

Living, learning and leading
together to achieve 90, 90, 90.

MISSION

Our mission is to work in
cooperation with the
community and families to
provide students with an
education that promotes
responsible citizenship,
develops critical thinking,
communication, collaboration
and creativity.

Finding 2013-001 Deficiency in Internal Control - Schedule of Expenditures of Federal Awards

Contact Person: Emily Richart
Contact Number: 812-876-7100
Anticipated Completion Date: August 10, 2014

CORRECTIVE ACTION PLAN

The school corporation will implement a system of internal control in the preparation of the SEFA to ensure accurate reporting of the federal awards. The Treasurer and Superintendent shall review all federal expenditures by August 10th for the most recently ended fiscal year, to provide reasonable assurance of the reliability of the financial transactions and regulatory compliance.

Signed Mike Wilcox
Titled Superintendent
Date 3/13/14

Signed Emily Richart
Titled Treasurer
Date 3/13/14



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Find 2013-002 Cash Management and Reporting

ASSISTANT SUPERINTENDENT

Mr. Jason Bletzinger
jbletzinger@rbbcsk12.in.us

Federal Agency: Department of Education
Federal Program: Special Education – Grants to States, Special Education – Preschool Grants, CFDA Number: 84.027, 84.173
Federal Award Number and Year (or Other Identifying Number): 14210-065-PN01, 14211-065-PN01, 14212-065-PN01, 14213-065-PN01, 45710-065-PN01, 45711-065-PN01, and 45712-065-PN01

SCHOOL BOARD

Mr. Jimmie D. Durnil
Mr. Dana Robert Kerr
Mr. Larry Thrasher
Ms. Debra Walcott
Mr. Randall C. Wright

Pass-Through Entity: Indiana Department of Education

Contact Person: Emily Richart
Contact Number: 812-876-7100
Anticipated Completion Date: 3/15/14

VISION

Living, learning and leading together to achieve 90, 90, 90.

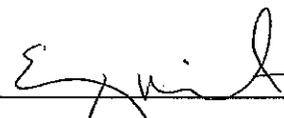
CORRECTIVE ACTION PLAN

The school corporation will implement a system of internal control over cash management and reporting compliance requirements. The Treasurer and Superintendent will review all reimbursement requests for federal grants.

MISSION

Our mission is to work in cooperation with the community and families to provide students with an education that promotes responsible citizenship, develops critical thinking, communication, collaboration and creativity.

Signed 
Titled Superintendent
Date 3/13/14

Signed 
Titled Treasurer
Date 3/13/14

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on March 13, 2014, with Dana Robert Kerr, President of the School Board; Dr. Michael Wilcox, Superintendent of Schools; and Emily Richart, Treasurer.